## Message Text

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**ACTION ARA-10** 

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 DODE-00 PM-03 L-03 PRS-01 SAB-01 DRC-01

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R 141938Z MAR 74 FM AMEMBASSY PANAMA TO SECSTATE WASHDC 0086 INFO PANCANAL USSOUTHCOM

CONFIDENTIAL PANAMA 1498

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E.O. 11652: GDS TAGS: PFOR PN PQ

SUBJ: U.S. PANAMANIAN RELATIONS: AMB. SAYRE'S FAREWELL CALL ON GENERAL TORRIJOS.

REF: PANAMA'S 1494.

- 1) SUMMARY: GENERAL TORRIJOS SATISFIED WITH GENERAL POLITICAL AND ECONOMIC SITUATION IN PANAMA AND PROGRESS IN CANAL TREATY NEGOTIATIONS. HE IS CONCERNED WITH DEPRESSED BANANA MARKET AND PREOCCUPIED WITH GUATEMALAN ELECTION EVENTS.
- 2) I MADE FAREWELL CALL ON GENERAL TORRIJOS LATE
  AFTERNOON MARCH 13. I BEGAN BY EXPRESSING MY
  CONDOLENCES ON DEATH OF HIS MOTHER. I SAID THAT I HAD
  SENT HIM A TELEGRAM ON SATURDAY, BUT IN VIEW OF ALL
  THE MESSAGES HE WAS RECEIVING, I DID NOT KNOW WHETHER
  HE HAD SEEN IT. HE REPLIED THAT IT WAS HARD BLOW AND
  APPRECIATED MY WORDS. I SAID THAT I HAD ALSO DELIVERED
  TO THE FOREIGN MINISTRY MESSAGES FROM SECRETARY
  KSSSINGER, SECRETARY CALLAWAY AND AMBASSADORS BUNKER
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AND JORDEN. HE THANKED ME AND ASKED THAT I CONVEY HIS

## APPRECIATION.

- 2) TORRIJOS SAID THAT HE WAS GOING TO TEGUCIGALPA MARCH 14 FOR MEETING WITH CENTRAL AMERICAN PRESIDENTS EXCEPT SALVADORAN. HE SAID MEETING HAD TWO-FOLD PURPOSE: A) BANANAS, AND B) GUATEMALAN ELECTION. HE WAS CONCERNED AT DEPRESSED BANANA PRICES. HE THOUGHT U.S. RETAIL PRICE COULD BE 15 TO 20 CENTS WITHOUT ANY CUT IN CONSUMPTION. PRESIDENTS WOULD AGREE TO RESTRICTIONS ON PRODUCTION TO ELIMINATE DEPRESSING SURPLUSES. HE ASSERTED THAT ECUADOR WAS ON BOARD. HE SAID VERY LITTLE ABOUT GUATEMALAN ELECTION EXCEPT THAT CENTRAL AMERICAN PRESIDENTS WERE UNHAPPY ABOUT WAY IT HAD BEEN HANDLED AND HE IMPLIED THAT THEY THOUGHT ARANA NEEDED HELP AND ADVICE.
- 3) TORRIJOS CONSIDERS HIS OWN POLITICAL SITUATION MUCH BETTER. HE FEELS THAT THERE IS DIRECTION AND COHERENCE NOW WHICH DID NOT EXIST IN 1969 BUT HAD DEVELOPED IN LAST YEAR. HE ACKNOWLEDGED HE HAS LOTS OF PROBLEMS BUT CONSIDERED THEM MANAGEABLE.
- 4) TORRIJOS CHARACTERIZED TREATY NEGOTIATIONS AS NOT GREAT BUT POSITIVE. HE CONSIDERED PROGRESS IN PAST FEW MONTHS AS GOOD FOR RELATIONS AND HELPFUL TO INTERNAL SITUATION IN PANAMA. HE CONVEYED IMPRESSION HE DID NOT EXPECT ANYTHING DRAMATIC OR RAPID BUT THAT NEGOTIATIONS HAD TO KEEP MOVING. I TOLD HIM I WAS CONFIDENT THAT THIS WOULD HAPPEN AND, ALTHOUGH I DID NOT EXPECT MIRACLES EITHER, THAT I THOUGHT ONE WAY OR THE OTHER WE WOULD WORK IT OUT. I DID NOT EXPECT WE WOULD SOLVE ALL THE PROBLEMS BUT IF WE COULD RESOLVE 50 PERCENT WE WOULD HAVE DONE OUR JOB. TORRIJOS AGREED WITH THESE VIEWS, ID DID NOT MENTION ANY SPECIFIC POINTS SUCH AS COCO SOLO, NOR DID HE, ALTHOUGH I ASSUME HE HAD SECRETARY'S LETTER WHICH I HAD DELIVERED TO FOREIGN MINISTRY EARLIER IN DAY. TORRIJOS WILL BE DISAPPOINTED WITH REPLY BECAUSE LAKAS. HE AND ECONOMIC MINISTERS ARE COUNTING HEAVILY ON DEVELOPMENT OF CONTAINER PORT AT COLON AS ECONOMIC STIMULUS. CONFIDENTIAL

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5) I MENTIONED DESIRE OF GENERAL ROSSON TO HOLD TRAINING EXERCISE AT RIO HATO AND THAT ROSSON PLANNED TO TALK TO HIM ABOUT IT. I SAID THAT IT WAS MY UNDERSTANDING OF HIS (TORRIJOS) POLICY THAT SUCH EXERCISES WERE WELCOMED WITH GN PARTICIPATION. HE REPLIED THAT HE HAD BEEN URGING HIM OWN STAFF TO WORK OUT EXERCISE. THEY WERE GOOD WAY TO TRAIN ALL ELEMENTS. MY UNDERSTANDING WAS CORRECT

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ID THERE WOULD BE NO DIFFICULTY WORKING IT OUT. NIELS	
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IN .	

## Message Attributes

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**Current Classification: UNCLASSIFIED** 

Concepts: TERRITORIAL REVERSION, CONDOLENCE MESSAGES, AGRICULTURAL SURPLUSES, NEGOTIATIONS, MEETINGS, POLITICAL

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Subject: U.S. PANAMANIAN RELATIONS: AMB. SAYRE'S FAREWELL CALL ON GENERAL TORRIJOS.

TAGS: PFOR, PN, PQ, (SAYRE, ROBERT M), (TORRIJOS HERRERA, OMAR)

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